Kansas Wind & Renewable Energy

Net Metering

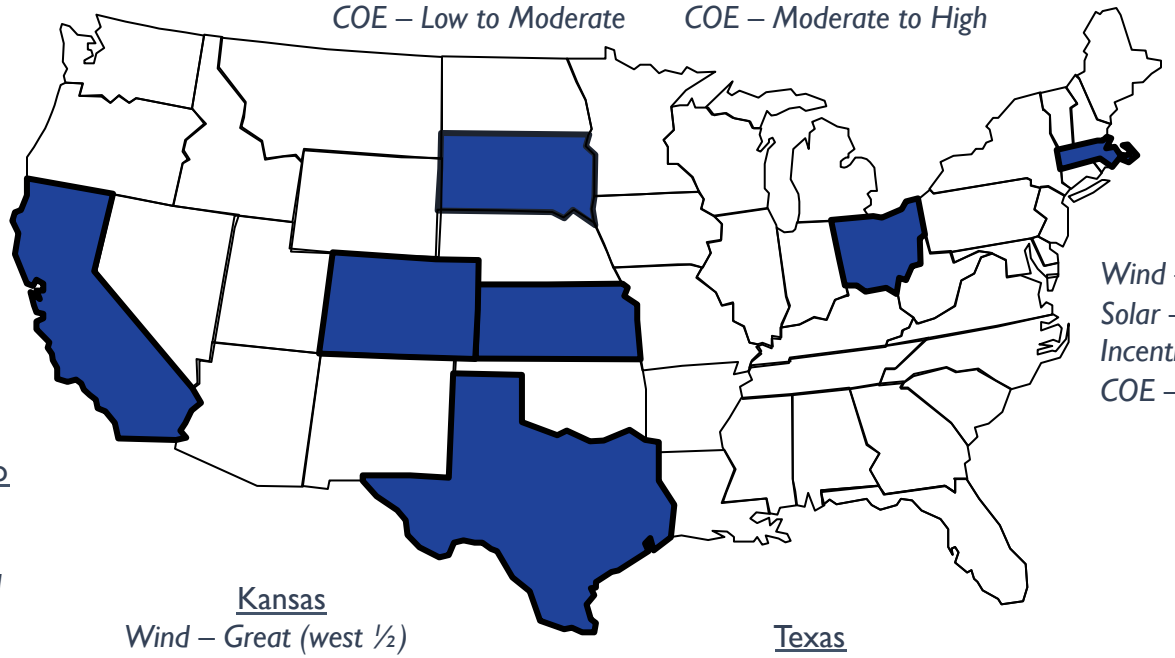
Topeka, KS
October 7, 2009

NexGen energy

NexGen Energy Partners

- Renewable Energy Services Company
- We provide custom, customer-focused, renewable solutions
- Roots in engineering, education, finance & risk management
- DOE/USDA background(s)
- Turn-key model
- Develop / Operate / Maintain

Where we work…



South Dakota
Wind – Great
Solar – Good
Incentives – None
COE – Low to Moderate

Ohio
Wind – Good
Solar – Good
Incentives – Great
COE – Moderate to High

California
Wind – Good
Solar – Great
Incentives – Great
COE - High

Massachusetts
Wind – Good
Solar – Good
Incentives – Good (long cycle)
COE – Very high

Colorado
Wind – Great
Solar – Good
Incentives – Good
COE – Moderate

Kansas
Wind – Great (west ½)
Solar – Good
Incentives – Ok
COE – Low to Moderate

Texas
Wind – Great (west ½)
Solar – Great
Incentives – Poor
COE – Moderate to High

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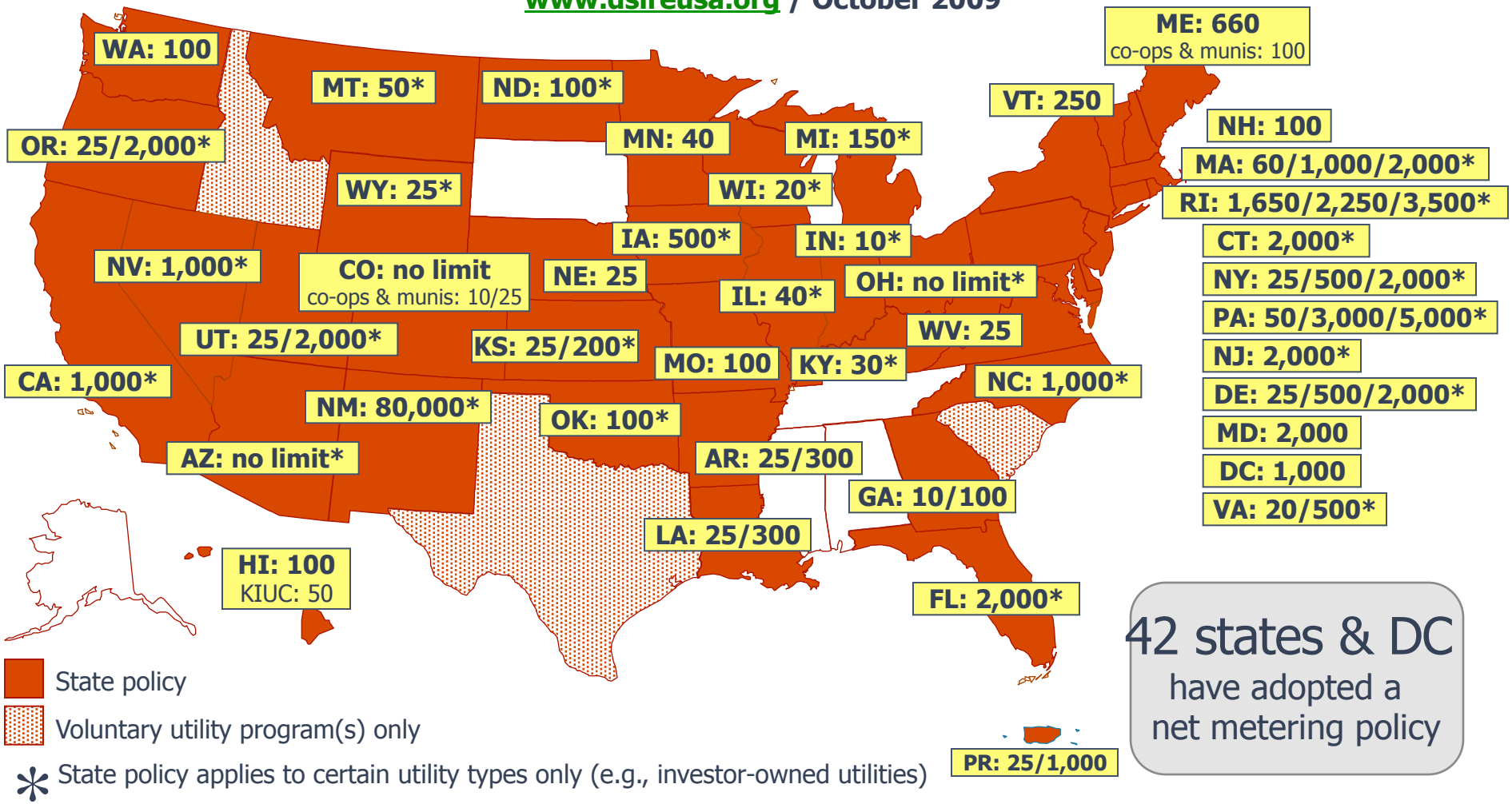
Overview

- Net Metering Drivers
- Net Metering as Policy
- Honoring the stakeholders
- Tale of three policies

Net Metering: Distributed Energy (Consumer) Policy

Net Metering

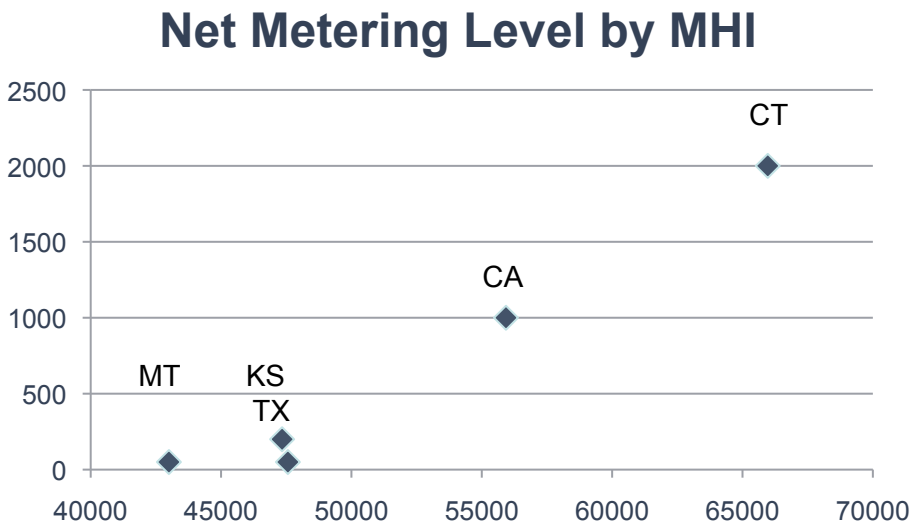
www.dsireusa.org / October 2009



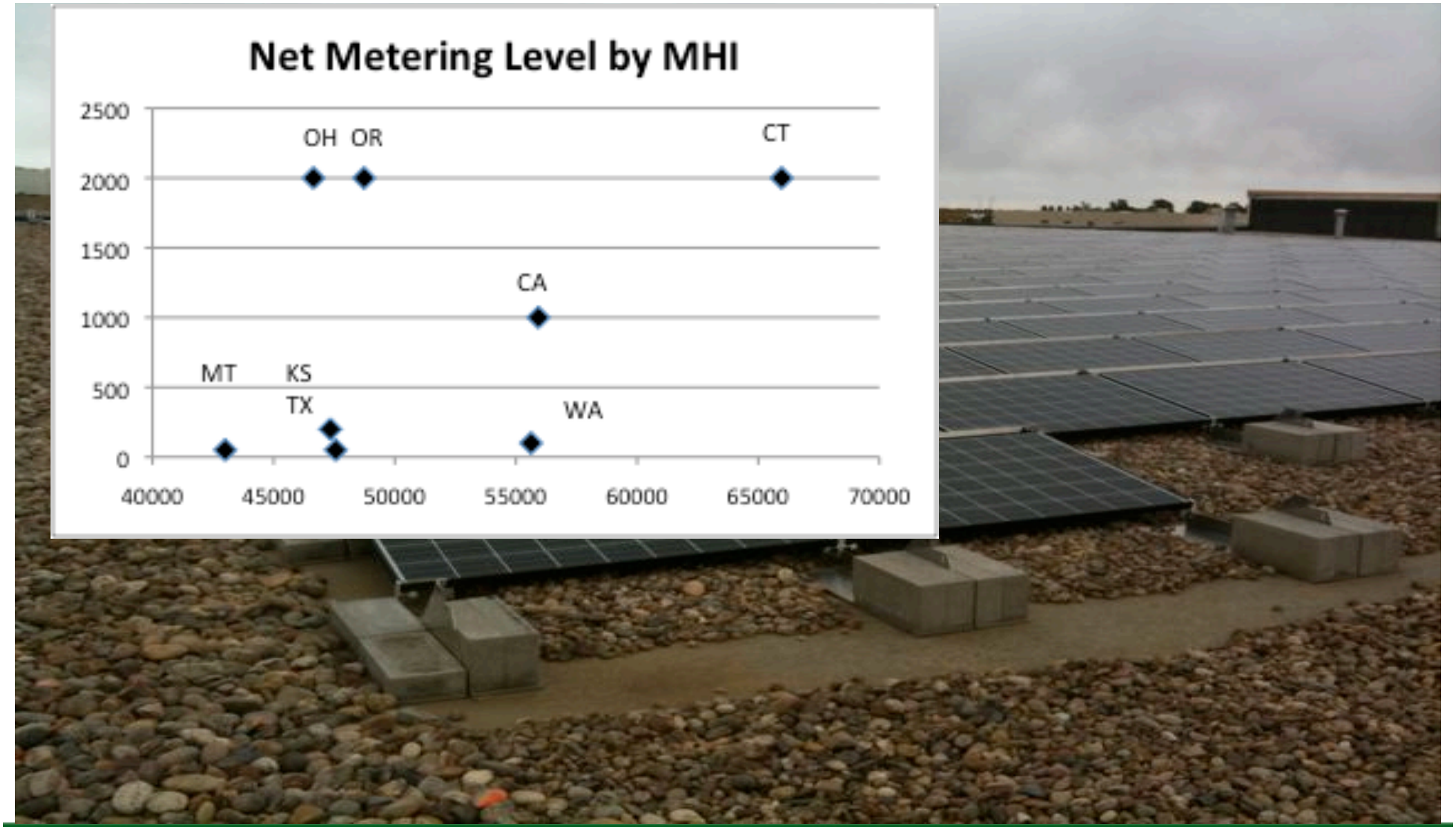
42 states & DC
have adopted a
net metering policy

Note: Numbers indicate individual system capacity limit in kW. Some limits vary by customer type, technology and/or application. Other limits might also apply.

What Drives Net Metering Policy?

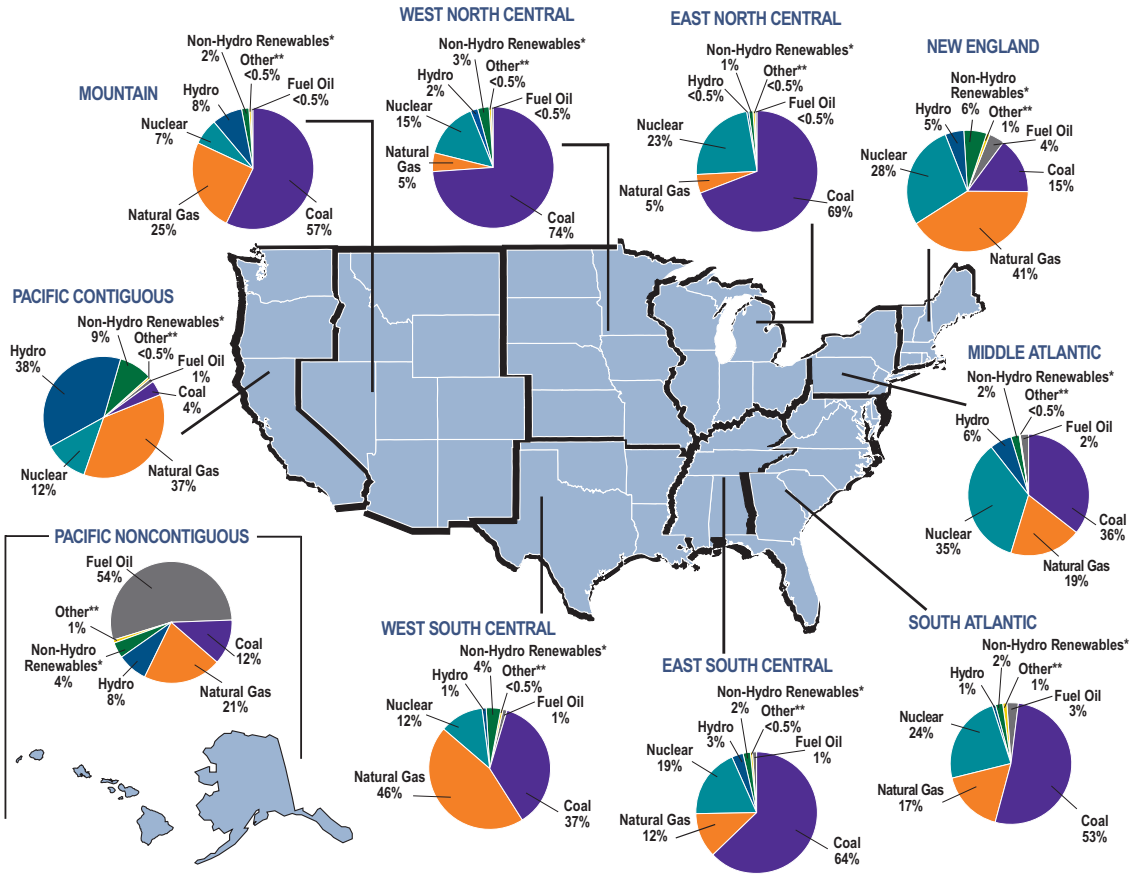


What Drives Net Metering?



What Drives Net Metering Policy?

Different Regions of the Country Use Different Fuel Mixes to Generate Electricity.



Across the United States, a diverse mix of fuel is used to generate electricity. Several factors influence an electric company's decision to use particular fuels. These include the price and the availability of supply. This map, arranged by census region, illustrates the diversity of fuel use and shows how the electricity generation mixes in various regions of the country differ. The map further demonstrates that major changes in the generation mix could have economic and reliability impacts, especially on a regional basis.

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* Includes generation by agricultural waste, landfill gas recovery, municipal solid waste, wood, geothermal, non-wood waste, wind, and solar.

** Includes generation by tires, batteries, chemicals, hydrogen, pitch, purchased steam, sulfur, and miscellaneous technologies.

Sum of components may not add to 100% due to independent rounding.

Sources: U.S. Department of Energy, Energy Information Administration, Power Plant Report (EIA-906), and Combined Heat and Power Plant Report (EIA-920), 2007 Final.

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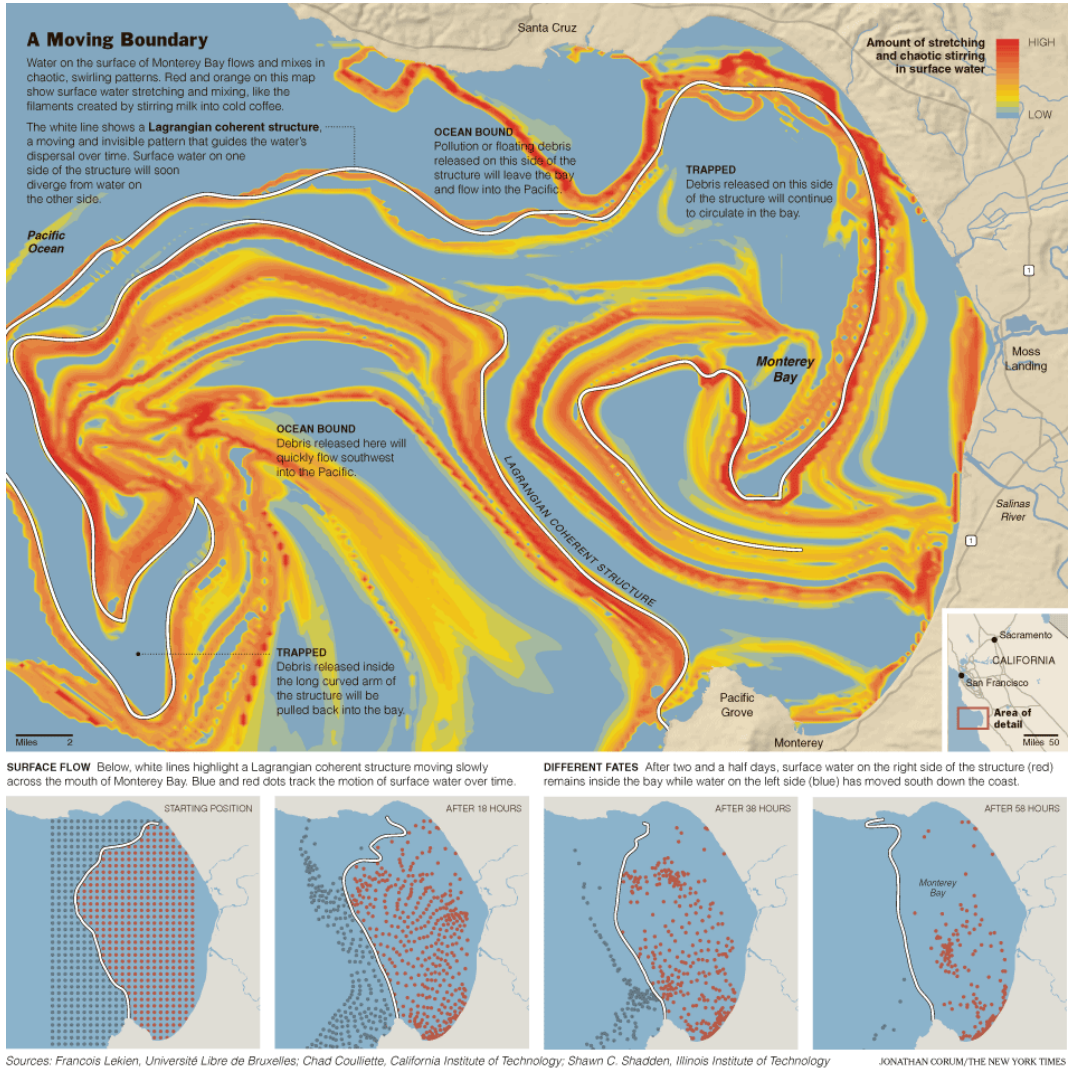
What Drives Net Metering Policy?



What Drives Net Metering Policy?

Net Metering as Policy

- Represents a balance (just right) between stakeholders
- Policy acts as a universal starting block
  - Leadership may be otherwise …
    - Both from Customer and Utility perspectives
- Does size really matter?
  - Enrollment is typically capped (limited)
  - System size is controlled
  - Larger allowance (OH) means fewer connections

Honoring Stakeholders

- Utilities
  - Mission (high value/low cost)
  - Cross subsidization concerns
  - Safety
- Customers
  - Options
  - Stewardship
  - Leadership

A Tale of Three States (2007)

- Oregon
  - 2MW/25kW
  - Residential/Commercial/3rd party friendly
  - 637 Residential (1/10,000)
  - 77 Commercial
- Colorado
  - No cap (IOU), 25kW/10kW
  - Residential/Commercial/3rd party friendly*
  - 255 Residential (1/10,000)
  - 24 Commercial
- Kansas I (parallel generation)
  - 200kW
  - Residential/Commercial friendly
  - 10 total
- Kansas II (IOU)
  - 200kW/25kW
  - 1% of peak (cap)
  - Residential/Commercial/3rd party friendly

CA = 32k, 25 years

http://www.eia.doe.gov/cneaf/solar.renewables/page/greenprice/green_pricing.html

Key Elements for Net Metering

(for attracting participation)

- Favorable Size Limits
- State-wide policy
- Longer roll-over (1 year is preferable to monthly)
- Cycle date (fall for wind, spring for solar)
- Third party friendly (“or” operator)
- Ease of interconnection (clarity)

Thank you!

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